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H2549, has an N-terminal region consisting of MQAKHKQRKRLKSS-C (SEQ ID NO: 124). The last amino acid, cysteine, is the first cysteine of the seven cysteine active domain of OP-1. A ROS assay, as described above in Example 5, was used to test activity of H2549.

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Please replace Sequence Listing pages 1-40 as originally filed with substitute Sequence Listing pages 1-55.

IN THE CLAIMS

Kindly cancel claims 2-19.

Kindly amend the claims as follows:

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1. (Amended) A biologically active TGF- $\beta$  family member fusion protein, comprising:

a TGF- $\beta$  family protein C-terminal seven cysteine domain, comprising a finger 1 subdomain, a finger 2 subdomain, and a heel subdomain; and

a heterologous leader sequence domain operatively linked to said C-terminal domain; wherein said heterologous leader sequence domain is selected from the group consisting of

- a) a tissue-targeting domain which binds to a cell surface molecule on a chondrocyte,
- b) FB subdomain of staphylococcus aureus protein A,
- c) a peptide derived from Clostridium collagenase and
- d) a decapeptide collagen binding domain comprising amino acid residues 11-20 of SEQ ID NO: 89.
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Please add the following claims:

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20. (Added) The TGF- $\beta$  family member fusion protein of claim 1, wherein the TGF- $\beta$  family protein is selected from the group consisting of TGF- $\beta$ 1, TGF- $\beta$ 2, TGF- $\beta$ 3, TGF-

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